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MONTANA LEGISLATIVE HISTORY

Chapter 178 19 87

Bill H _____ S 309 Original bill & history ___C

H. Committee on Local Government		S. Committee on Taxation	
Hearing Date(s) Mar 09	✓C	Hearing Date(s) Feb 10	✓C
Mar 11	✓C	Feb 11	✓C
_____	___C	_____	___C
_____	___C	_____	___C
Date Out Mar 11	✓C	Feb 11	✓C

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

SB 308 INTRODUCED BY TVEIT, DRISCOLL, WHALEN, ET AL.
ALLOW BLACKJACK IF AUTHORIZED BY VOTERS OF LICENSING JURISDICTION

2/06	INTRODUCED		
2/06	REFERRED TO BUSINESS & INDUSTRY		
2/18	HEARING		
2/21	COMMITTEE REPORT--BILL PASSED AS AMENDED		
2/23	FISCAL NOTE REQUESTED		
2/24	2ND READING PASS AS AMENDED MOTION FAILED	25	25
2/24	2ND READING INDEFINITELY POSTPONE MOTION FAILED	22	27
2/24	SEGREGATED FROM COMMITTEE OF WHOLE REPORT	27	23
2/24	LAY ON TABLE MOTION FAILED	23	27
2/24	PLACED ON 2ND READING	26	23
2/24	PREVIOUS AMENDMENTS PASSED	48	0
2/24	2ND READING PASS AS AMENDED MOTION FAILED	24	26
2/24	2ND READING INDEFINITELY POSTPONED	28	21
2/26	FISCAL NOTE RECEIVED		
3/11	RULES SUSPENDED TO ALLOW RECONSIDERATION OF BILL	34	16
3/11	REREFERRED TO BUSINESS & INDUSTRY		
3/13	COMMITTEE REPORT--BILL PASSED AS AMENDED		
3/14	2ND READING PASS AS AMENDED MOTION FAILED	23	27
3/14	2ND READING INDEFINITELY POSTPONED	30	20

SB 309 INTRODUCED BY MAZUREK, O'CONNELL, BROWN, J.
REVISING PROPERTY ASSESSMENT FOR STREET MAINTENANCE DISTRICTS

2/06	INTRODUCED		
2/06	REFERRED TO TAXATION		
2/10	HEARING		
2/12	COMMITTEE REPORT--BILL PASSED AS AMENDED		
2/16	2ND READING PASSED	50	0
2/18	3RD READING PASSED	50	0
	TRANSMITTED TO HOUSE		
2/23	REFERRED TO LOCAL GOVERNMENT		
3/09	HEARING		
3/11	COMMITTEE REPORT--BILL CONCURRED		
3/14	2ND READING CONCURRED	95	0
3/16	3RD READING CONCURRED	97	0
	RETURNED TO SENATE		
3/19	SIGNED BY PRESIDENT		
3/19	SIGNED BY SPEAKER		
3/19	TRANSMITTED TO GOVERNOR		
3/24	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 178 EFFECTIVE DATE: 10/01/87		

SB 310 INTRODUCED BY MAZUREK, WILLIAMS, M., ECK, ET AL.
PROVIDE LOCAL OPTION INCOME TAX WITH VOTER APPROVAL -- PROPERTY TAX RELIEF
BY REQUEST OF GOVERNOR

2/06	INTRODUCED		
2/06	REFERRED TO TAXATION		

MINUTES OF THE MEETING
TAXATION COMMITTEE
MONTANA STATE SENATE

February 10, 1987

The twentieth meeting of the Senate Taxation Committee was called to order at 8:05 A.M. on February 10, 1987 by Chairman George McCallum in Room 413/415 of the Capitol Building.

ROLL CALL: All committee members were present with the exception of Senator Halligan.

CONSIDERATION OF SB 309: Senator Mazurek, Senate District 23, presented this bill to the committee. He introduced this bill at the request of the city of Helena. In one sense this bill is a cleanup of language and in another sense it would add an additional option for assessing property in street maintenance districts. This bill deals with street maintenance districts, formerly referred to as sprinkler districts from the old dust control days. The local governments make assessments for street maintenance districts for maintenance and upkeep of city streets by using four options, area, frontage, lot and taxable valuation. This bill would add another option under subparagraph (1) "assessable" area. "Assessable area" means the portion of a lot or parcel of land that is benefited by the maintenance district. The assessable area may be less than but may not exceed the actual area of the lot or parcel." There are large undeveloped lots with only a portion benefiting by the street frontage and street maintenance and this bill would allow the municipality to assess less than the full area of the property in determining what the assessment of the property would be. This bill would also allow the use of the trip generation factor to be used in establishing the assessment. Studies have been done that show a single family generated 10 trips on the street, while local business may generate 40.7 trips. Transportation engineers have found that method may provide the best link between assessment paid based on actual use. It is an option that should be used in major urban areas but may not work in every community. In large communities this would allow flexibility to local governments.

PROPONENTS: Janet Jessup, City of Helena, gave testimony in support of this bill. She said we found we cannot achieve equity within the current state law. This bill

will provide fairness and both changes are necessary. The first change allows us to determine the actual area that benefits on maintenance and to assess accordingly. The second method may be the fairest method for some communities. She pointed out you can use different types of methods on different types of property. One method might be more equitable than another.

Nathan Tubergen, City of Great Falls, gave testimony in support of this bill. He said we have similar problem areas that the city of Helena has with large empty lots. We have 1-5 acre lots in Great Falls and assessing those on a square foot basis realizes a large amount of tax for the local resident. With the various options this allows us to do a better job of assessing. He has done some work on the trip generation factor through their engineers. With this bill they can be more equitable both to the businesses and the residents of the city of Great Falls.

Bob Duty, City of Great Falls, gave testimony in support of this bill. He said we feel this is the fairest and the best way to assess street maintenance. The trip generation factor is on the concept of user basis. This will work especially well in the case of a large multiple unit apartment complex that is built on a single lot and is now paying the same assessment as a person owning a single family home on the same size lot. He said the trip factor would be necessary for better assessments.

Dick Nisbet, Director of Public Works, City of Helena, gave testimony in support of this bill. He believes this bill will give flexibility to be more equitable in assessments.

Chuck Stearns, City of Missoula, supports this bill in order to provide more options for equitable assessments.

Alec Hansen, Montana League of Cities and Towns, supports this bill because it promotes fairness.

OPPONENTS: None.

QUESTIONS FROM THE COMMITTEE: Senator Crippen asked Senator Mazurek what the method is now for protesting an assessment for property in a street maintenance district.

Senator Mazurek referred the question to Mr. Tubergen.

Nathan Tubergen said you can protest the creation of a street maintenance district. If the majority of the people do not want the district they could take out a petition, 50% of the people within the district must protest.

Senator Crippen said now, with this bill, we are changing the assessing manner a little bit than it was before, and there might be some people who might protest this and who have not had the opportunity to look at this new assessment option.

Dick Nisbet said during the annual meeting of the city commission we would have to advertise that there will be a change in the method of assessments. Our city commission, when making changes such as this, will hold a public meeting and the public opinion does have a bearing on what is decided.

Senator Hirsch asked if when they employ an option if they stick with that option throughout the year.

Bob Duty said we would use a variety of options but when we set that assessment for a certain piece of property we would use that assessment during the whole year.

Senator Crippen said he has a problem with treating one parcel differently than another.

Bob Duty said we feel that in order to be fair we have to treat different types of property differently. In his case, where they have very large pieces of property that are empty lots, it would not be fair to assess them on a square footage basis.

Senator Crippen said in the case of a city park with a swimming pool, taking into consideration the trip generation factor assessment option, does the city in that case pay the assessment.

Janet Jessup said the city of Helena determined many years ago to assess all property regardless of ownership. The only property that does not pay street maintenance to the city of Helena is the U.S. Post Office.

Senator Mazurek closed by stating he thinks it is important to keep in mind that street maintenance districts are different than SID's. Street maintenance districts are very large, city wide, and are ongoing. These are subject to the annual budget process. They are reviewed every year when assessments are made.

Hearing closed.

ROLL CALL

TAXATION COMMITTEE

50th LEGISLATIVE SESSION -- 1987 Date 2-10-87

NAME	PRESENT	ABSENT	EXCUSED
SENATOR CRIPPEN	✓		
SENATOR NEUMAN	✓		
SENATOR SEVERSON	✓		
SENATOR LYBECK	✓		
SENATOR HAGER	✓		
SENATOR MAZUREK	✓		
SENATOR ECK	✓		
SENATOR BROWN	✓		
SENATOR HIRSCH	✓		
SENATOR BISHOP	✓		
SENATOR HALLIGAN, VICE CHAIRMAN			✓
SENATOR McCALLUM, CHAIRMAN	✓		

Each day attach to minutes.

DATE February 10, 1987

COMMITTEE ON Senate Taxation

VISITORS' REGISTER SB-309

NAME	REPRESENTING	BILL #	Check One: Support	Check One: Oppose
Richard Nisbet	City Helena	SB-309	✓	
Janet Jessup	City of Helena	SB 309	✓	
Phil Hauck	City of Helena	SB 309	✓	
Lynn Chenowelth	Dept. of Revenue	SB 309		
John Cartan	MT. County Treasurers			
Nathan Tubergen	City of Great Falls	SB 309	✓	
Bob Duty	City of Gt. Falls	SB 309	✓	
Chuck Stearns	City of Missoula	SB 309	✓	
Dave Hunaeus	League of Cities	SB 309	✓	
Bernadine Tollefson	MEA-R	SB 309		

(Please leave prepared statement with Secretary)

Senator Eck said this would allow them to always be a number of years delinquent.

Senator Severson said that is probably so in some cases but they are still paying interest on it and penalty.

Senator Lybeck said he knew of several taxpayers, at the time when interest rates were higher and the county rates lower, who took advantage of staying delinquent.

Senator Crippen said some do take advantage of this. We are talking about taking away a person's property. He would rather make a mistake on the side of the taxpayer than on the side of the county.

Jim Lear asked for clarification. Does this proposed amendment include penalty and interest being paid first and then the tax for the first delinquent year can be paid.

Senator Crippen said the county treasurer could not accept less than 1 year's delinquent taxes, plus all penalty and interest due on the date of the delinquent payment. The taxes due for the tax year that is delinquent the longest, must be paid before any subsequent year.

Senator Crippen's motion carried 6-5. See attached roll call vote sheet.

Senator Mazurek would move two other techical amendments that were brought to his attention. On page 23, line 9, it is not only the County Clerk who may be required to give notice. On page 23, line 9, strike "county clerk" and insert "person required to give notice". Then on page 25, line 12, we need to insert "county treasurer" after "county clerk".

Senator Mazurek's motion carried.

Senator Mazurek made a motion that SB 162 DO PASS AS AMENDED. The motion carried.

DISPOSITION OF SB 309: Senator Crippen likes the idea of the bill. He is in favor of putting accessible area in the bill but has some concern with the trip generation factor. This is new language and he can see some problems with this, especially in a large commercial area on a street. He understands this is to try to be equitable but it is extremely difficult to come up with an objective standard to make this determination. He does not like the trip generation factor being used as one of the options.

Senator Mazurek said there are street maintenance districts in Helena where it was thought the trip generation factor would give a more reliable assessment.

Senator Crippen does not see the need for the use of this option. He made a motion to delete section (e) on lines 14-17, page 2, in its entirety and to renumber subsequent subsections.

Senator Crippen's motion carried 7-4. See attached roll call vote sheet.

Senator Mazurek made a motion that SB 309 DO PASS AS AMENDED. The motion carried.

ADJOURNMENT: The meeting adjourned at 10:00 A.M.

SENATOR GEORGE McCALLUM, Chairman

ah

ROLL CALL VOTE

SENATE COMMITTEE TAXATION

Date February 11, 1987 Bill No. SB 309 Time 9:58 A.M.

NAME	YES	NO
SENATOR CRIPPEN	✓	
SENATOR NEUMAN	✓	
SENATOR SEVERSON	✓	
SENATOR LYBECK		✓
SENATOR HAGER	ABSENT	
SENATOR MAZUREK		✓
SENATOR ECK		✓
SENATOR BROWN	✓	
SENATOR HIRSCH	✓	
SENATOR BISHOP	✓	
SENATOR HALLIGAN, VICE CHAIRMAN		✓
SENATOR McCALLUM, CHAIRMAN	✓	

Aggie Hamilton
Secretary

Senator George McCallum
Chairman

Motion: Senator Crippen's motion to delete subsection (e) on lines 14-17, page 2, in its entirety. The motion carried 7-4.

1987

STANDING COMMITTEE REPORT

February 11, 19 87

MR. PRESIDENT

We, your committee on SENATE TAXATION

having had under consideration SENATE BILL No. 309

first reading copy (white color)

REVISING PROPERTY ASSESSMENT FOR STREET MAINTENANCE DISTRICTS

Respectfully report as follows: That SENATE BILL No. 309

be amended as follows:

1. Page 2, line 13.
Following: "or"
Insert: "or"

2. Page 2, lines 14 through 17.
Strike: subsection (e) in its entirety
Renumber: subsequent subsection

3. Page 2, line 20.
Strike: "(e)"
Insert: "(d)"

AND AS AMENDED

DO PASS

~~DO NOT PASS~~

SENATOR GEORGE McCALLUM Chairman.

He stated the bill is inequitable since it exempts all property owned by a ditch company. He stated he spoke of the bill passed by the Senate because he had not seen the amendments. He stated the amendments making the bill retroactive are unconstitutional. He stated in cases where a district has been created and bonds sold prior to the effective date of this act, local jurisdictions have entered into a binding contract with the bond buyer. That contract includes the commitment that certain properties within the district are subject to the lein for district assessments. Mr. Tilletson stated that under the federal and state constitution the legislature cannot pass a law that will impair the performance of those existing contractual obligations.

Alec Hansen, MT League of Cities and Towns, stated Mr. Tilletson covered all the issues they were concerned with and the League of Cities and Towns opposed the bill.

Senator Jergeson, in closing, stated he believed the amendments took care of the problems voiced by the City of Billings. He said it was clear to him that a right-of-way or a ditch would not receive any benefits from a SID and therefore that was clarified in the bill that those kinds of properties be exempt from the SID assessment. He said a building or headquarters would in fact benefit and the way the amendments read those kinds of properties would be assessed. He said the final amendment offerred should take care of the retroactive objections of the City of Billings.

Senator Jergeson asked the committee's support of the bill and stated he would leave it up to the committee as to who would carry the bill on the House floor should the bill be passed.

CONSIDERATION OF SENATE BILL 309: Senator Joe Mazurek, Senator District 23 and sponsor of the bill, stated the bill was introduced at the request of the City of Helena. He stated the bill gives some additional flexibility to cities on the basis in which they can make assessments for street maintenance districts. He said this was done for special improvement districts in the last session. He stated SB 309 merely extends that flexibility for assessments to street maintenance districts.

Senator Mazurek stated the reason the city requested flexibility in these areas are because they are generally very large districts, possibly an entire city or half of the downtown area. He stated city governments can use either assessable area as defined in Section 1, street frontage or taxable value as a basis for determining the assessments.

He stated the bill would allow use of the term assessable area and would allow a combination of any of those three methods available under SID assessments to determine the assessment for street districts.

PROPONENTS: Janet Jessup, City of Helena, stated Helena has had street maintenance districts since 1983 and sprinkling districts which were basically the same thing for several decades. She stated they have just completed a 2 1/2 year process of going through the district to try and review what is being assessed and to make sure the properties are being assessed accurately. Ms. Jessup stated the bill would give the flexibility that is necessary to tie the assessment that the property owner pays directly to the benefit received.

Don Hackman, MT Municipal Clerk, Treasurers and Finance Officers, stood in support of SB 309.

Larry Anderson, Missoula, stood in support of the bill.

OPPONENTS: None.

Senator Mazurek closed on SB 309.

CONSIDERATION OF SENATE BILL 367: Senator Ethel Harding, Senate District 25 and sponsor of the bill, stated SB 367 was an act to classify family and group day-care homes as a residential use of property for the purpose of all local ordinances. She stated page 12 of the bill includes the relationship of foster homes, youth group homes and community residential facilities and they have added day-care homes which she felt were just left out to start with. Senator Harding presented testimony from Daniel Johns, an attorney from Kalispell, to be entered into record in support of SB 367 (Exhibit 8).

PROPONENTS: Barbara Archer, Womens' Lobbyist Fund, presented written testimony and read from her testimony (Exhibit 9).

Susan Christofferson, Kalispell, presented a witness statement to the committee (Exhibit 10).

Susan Hardy, Flathead County Head Start, presented written testimony (Exhibit 11).

Jeanne Doney, Helena, stated she had appeared to testify as a working parent and had taken annual leave from the Department of Commerce where she worked full-time. She stated Helena has one of the highest percentages of working women in the nation and therefore day-care is a critical problem. She stated she was a former day-care operator and

DAILY ROLL CALL

LOCAL GOVERNMENT COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 1

NAME	PRESENT	ABSENT	EXCUSED
REP. NORM WALLIN, CHAIRMAN			
REP. RAY BRANDEWIE, VICE CHAIRMAN			
REP. BUDD GOULD			
REP. REP. TIMOTHY WHALEN			
REP. PAULA DARKO			
REP. TOM BULGER			
REP. JAN BROWN			
REP. BOB GILBERT			
REP. LARRY GRINDE			
REP. WALTER SALES			
REP. STELLA JEAN HANSEN			
REP. PAUL PISTORIA			
REP. ROBERT HOFFMAN			
REP. LES KITSELMAN			
REP. JACK RAMIREZ			
REP. DAVE BROWN			
REP. CAROLYN SQUIRES			

Rep. Pistoria asked if anyone had spoken with the press or George Moore.

Rep. Sales commented he did not discuss it with the press only with the local government officials and representatives.

The question was called on Rep. Sales's amendments. The motion carried unanimously.

Rep. Brandewie moved that SB 274 BE CONCURRED IN AS AMENDED. The question was called and carried with Rep. Dave Brown and Rep. Pistoria voting no.

DISPOSITION OF SENATE BILL 309: Rep. Brandewie moved that SB 309 BE CONCURRED IN. The question was called and the motion carried unanimously.

DISPOSITION OF SENATE BILL 316: Rep. Dave Brown moved to TABLE SB 316. The motion carried unanimously.

DISPOSITION OF SENATE BILL 382: Rep. Brandewie moved that SB 382 BE NOT CONCURRED IN.

Rep. Sales stated when the bill was first heard he was opposed to it also but thought with the amendments Senator Jergeson proposed it was a reasonable bill and in line with what was done in the taxing area. He said he would like to see it amended and passed.

Rep. Dave Brown stated Jerry Anderson from Billings was authorized by the city to say that with the amendments they did not have any objection to the bill.

Rep. Dave Brown moved to adopt the amendments. The question was called and the motion carried unanimously.

Rep. Sales moved as a substitute motion that SB 382 BE CONCURRED IN AS AMENDED. The question was called and the motion carried unanimously.

ADJOURNMENT: There being no further business to come before the committee, the meeting was adjourned at 2:50 p.m.

Rep. Norm Wallin, Chairman

STANDING COMMITTEE REPORT

March 11 19 87

Mr. Speaker: We, the committee on LOCAL GOVERNMENT

report SB 309

☐ do pass ☒ be concurred in ☐ as amended
☐ do not pass ☐ be not concurred in ☐ statement of intent attached

Rep. Norm Wallin Chairman

(Rep. Jan Brown)

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